

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Milford Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: January 24, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on October 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.60% to 7.40%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

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Milford Retirement System
January 1, 2017 Actuarial Valuation

Total Cost Increasing 6.5% per year until FY35 with final amortization payment in FY36

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Increase Total Cost</u>
2018	1,830,949	70,000	2,825,575	203,696	26,880	4,957,100	55,702,760	
2019	1,913,342	70,000	3,055,006	212,863	28,089	5,279,300	56,599,988	6.5%
2020	1,999,443	70,000	3,301,263	222,441	29,353	5,622,500	57,310,573	6.5%
2021	2,089,418	70,000	3,565,457	232,451	30,674	5,988,000	57,802,455	6.5%
2022	2,183,441	70,000	3,848,793	242,912	32,054	6,377,200	58,040,009	6.5%
2023	2,281,696	70,000	4,152,664	253,843	33,497	6,791,700	57,983,680	6.5%
2024	2,384,372	70,000	4,478,558	265,266	35,004	7,233,200	57,589,488	6.5%
2025	2,491,669	70,000	4,827,949	277,203	36,579	7,703,400	56,808,607	6.5%
2026	2,603,794	70,000	5,202,404	289,677	38,225	8,204,100	55,587,014	6.5%
2027	2,720,965	70,000	5,603,777	302,712	39,946	8,737,400	53,865,009	6.5%
2028	2,843,409	70,000	6,033,814	316,334	41,743	9,305,300	51,576,486	6.5%
2029	2,971,362	70,000	6,868,738			9,910,100	48,648,577	6.5%
2030	3,105,073	70,000	7,379,227			10,554,300	45,000,845	6.5%
2031	3,244,801	70,000	7,925,499			11,240,300	40,544,527	6.5%
2032	3,390,818	70,000	8,510,082			11,970,900	35,182,028	6.5%
2033	3,543,404	70,000	9,135,596			12,749,000	28,805,866	6.5%
2034	3,702,858	70,000	9,804,842			13,577,700	21,297,841	6.5%
2035	3,869,486	70,000	10,520,814			14,460,300	12,528,049	6.5%
2036	4,043,613	70,000	2,395,809			6,509,422	2,353,817	-55.0%
2037	4,225,576	70,000				4,295,576	0	-34.0%

Expenses assumed to be \$300,000

Appropriation payments assumed to be made October 1 of each fiscal year

Normal cost assumed to increase 4.5% per year